

FEDERAL RESERVE SYSTEM

NewAlliance Bancshares, Inc.  
New Haven, Connecticut

Order Approving the Formation of a Bank Holding Company and  
the Acquisition of a Bank Holding Company and a Savings Association

NewAlliance Bancshares, Inc. (In Formation) (“NewAlliance”) has requested the Board’s approval pursuant to section 3 of the Bank Holding Company Act (12 U.S.C. § 1842) (“BHC Act”) to become a bank holding company by acquiring New Haven Savings Bank, New Haven, Connecticut (“NHSB”), and Alliance Bancorp of New England (“Alliance”) and Tolland Bank (“Tolland Bank”), both in Vernon, Connecticut. NewAlliance also has requested the Board’s approval pursuant to section 4(c)(8) and 4(j) of the BHC Act (12 U.S.C. § 4(c)(8) and 4(j)) and section 225.24 of the Board’s Regulation Y (12 C.F.R. 225.24)<sup>1</sup> to acquire Connecticut Bancshares, Inc. and The Savings Bank of Manchester (“SBM”), both in Manchester, Connecticut.<sup>2</sup>

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<sup>1</sup> NHSB, Tolland Bank, and SBM are chartered as Connecticut state savings banks. SBM does not meet the definition of “bank” for purposes of the BHC Act, because it is deemed to be a savings association under section 10(l) of the Home Owners’ Loan Act. See 12 U.S.C. §§ 1467a(l), 1841(c) and (j).

<sup>2</sup> This proposal involves the conversion of NHSB from mutual to stock form and the merger of SBM and Tolland Bank into NHSB under the new name NewAlliance Bank. The Federal Deposit Insurance Corporation (“FDIC”) has notified NHSB of its intention not to object to the conversion of NHSB from mutual to stock form, and the Connecticut Department of Banking has approved the conversion of NHSB to stock form. NewAlliance has filed an application under the Bank Merger Act (12 U.S.C. § 1828(c)) with the FDIC and an application with the Connecticut Department of Banking to complete the various mergers.

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (68 Federal Register 64,109 (2003)). The time for filing comments has expired, and the Board has considered the proposal and all comments received in light of the factors set forth in the BHC Act.

NHSB is the eighth largest depository organization in Connecticut and controls approximately \$1.9 billion in deposits, representing approximately 2.7 percent of total deposits in depository institutions in the state (“state deposits”).<sup>3</sup> SBM is the 11th largest depository organization in Connecticut, controlling approximately \$1.7 billion in deposits, representing approximately 2.4 percent of state deposits. Tolland Bank is the 29th largest depository organization in Connecticut, controlling approximately \$336 million in deposits, representing less than 1 percent of state deposits. On consummation of the proposal, NewAlliance would be the fifth largest depository organization in Connecticut, controlling approximately \$3.9 billion in deposits, representing approximately 5.5 percent of state deposits.

#### Factors Governing Board Review of the Transaction

The BHC Act sets forth the factors that the Board must consider when reviewing the formation of a bank holding company or the acquisition of banks. These factors are the competitive effects of the proposal in the relevant geographic markets; the financial and managerial resources and future prospects of the companies and banks involved in the proposal; the convenience and needs of the community to be served, including the records of performance of insured

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<sup>3</sup> State deposits and ranking data are as of June 30, 2003. In this context, depository institutions include commercial banks, savings associations, and savings banks.

depository institutions involved in the transaction under the Community Reinvestment Act (12 U.S.C. § 2901 et seq.) (“CRA”); and the availability of information needed to determine and enforce compliance with the BHC Act and other applicable law.<sup>4</sup>

The Board previously has determined by regulation that the operation of a savings association by a bank holding company is closely related to banking for purposes of section 4(c)(8) of the BHC Act.<sup>5</sup> In reviewing the proposal, the Board is required by section 4(j)(2)(A) of the BHC Act to determine that the acquisition of SBM by NewAlliance “can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices.”<sup>6</sup> As part of its evaluation of a proposal under these public interest factors, the Board reviews the financial and managerial resources of the companies involved and the effect of the proposal on competition in the relevant markets. In acting on notices to acquire a savings association, the Board also reviews the records of performance of the relevant insured depository institutions under the CRA.

#### Competitive Considerations

Section 3 of the BHC Act prohibits the Board from approving a proposal that would result in a monopoly or would be in furtherance of any attempt to monopolize the business of banking in any relevant banking market. The BHC Act also prohibits the Board from approving a proposed bank acquisition that would substantially lessen competition in any relevant banking market unless

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<sup>4</sup> 12 U.S.C. § 1842(c).

<sup>5</sup> 12 C.F.R. 225.28(b)(4)(ii).

<sup>6</sup> 12 U.S.C. § 1843(j)(2)(A).

the anticompetitive effects of the proposal are clearly outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the community to be served.<sup>7</sup> The Board also must consider the competitive effects of the proposal in the relevant markets under section 4 of the BHC Act in light of all the facts of record.

NewAlliance proposes to acquire SBM and Tolland Bank, which currently compete in the Hartford, Connecticut, banking market.<sup>8</sup> Consummation of the proposal would be consistent with the Department of Justice Merger Guidelines (“DOJ Guidelines”) and Board precedent.<sup>9</sup> Although the market would remain highly concentrated after consummation, as measured by the HHI, the change in market shares and market structure would be small and numerous competitors would remain in the market.<sup>10</sup> The Department of Justice has advised

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<sup>7</sup> 12 U.S.C. § 1842(c)(1).

<sup>8</sup> The Hartford banking market is defined as the Hartford-New Britain Ranally Metropolitan Area.

<sup>9</sup> Under the DOJ Guidelines, 49 Federal Register 26,823 (1984), a market is considered highly concentrated if the post-merger Herfindahl-Hirschman Index (“HHI”) is more than 1800. The Department of Justice has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points. The Department of Justice has stated that the higher than normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognize the competitive effects of limited-purpose lenders and other nondepository financial institutions.

<sup>10</sup> On consummation of the proposal, NewAlliance would become the fifth largest depository institution in the Hartford banking market, controlling deposits of \$2 billion, which represents approximately 4.8 percent of total deposits in insured depository institutions in the market. The HHI would increase 5 points to 2355. These calculations use deposit and market share data as of June 30, 2003, and weight the deposits of thrift institutions, including Connecticut state savings banks, at 50 percent. The Board previously has indicated that thrift institutions

the Board that consummation of the proposal is not likely to have a significantly adverse effect on competition in any relevant banking market.

Based on the facts of record, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition or on the concentration of banking resources in the Hartford banking market or any other relevant banking market, and that competitive considerations are consistent with approval.

#### Financial, Managerial, and Other Supervisory Factors

In applications and notices involving the acquisition of an insured depository institution, the BHC Act requires the Board to consider the financial and managerial resources and future prospects of the companies and depository institutions involved in the proposal and certain other supervisory factors. The Board has considered, among other things, confidential reports of examination, other confidential supervisory information received from the primary federal banking agency that supervises each institution, and public comments.<sup>11</sup>

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have become, or have the potential to become, significant competitors of commercial banks. See Midwest Financial Group, 75 Federal Reserve Bulletin 386 (1989); National City Corporation, 70 Federal Reserve Bulletin 743 (1984); First Hawaiian, Inc., 77 Federal Reserve Bulletin 52 (1991). The proportion of commercial and industrial lending engaged in by SBM, Tolland Bank, and two other Connecticut state savings banks operating in the Hartford banking market constitutes more than 10 percent of the total loan portfolio of each institution and is comparable with the proportion of commercial and industrial lending of commercial banks operating in the market. If these institutions were weighted at 100 percent while other thrifts were weighted at 50 percent, the HHI would increase by 22 points to 2104.

<sup>11</sup> A commenter suggested that the conversion of NHSB from mutual to stock form would result in the sale of the institution to a larger banking organization. Any subsequent proposed acquisition of NewAlliance and NewAlliance Bank

NHSB, SBM, and Tolland Bank are well capitalized and NewAlliance Bank would be well capitalized on consummation of the proposal. In addition, the Board has consulted with the FDIC, the primary federal supervisor of the relevant depository institutions, and the Connecticut Department of Banking concerning the proposal. Based on all the facts of record, the Board has concluded that considerations relating to the financial and managerial resources and future prospects of NewAlliance and the institutions involved in the proposal are consistent with approval, as are the other supervisory factors under the BHC Act.

#### Convenience and Needs Considerations

In acting on proposals under section 3 of the BHC Act, the Board is also required to consider the effects of the proposal on the convenience and needs of the communities to be served and to take into account the records of the relevant insured depository institutions under the CRA. In addition, the Board reviews the records of performance under the CRA of the relevant insured depository institutions when acting on a notice under section 4 of the BHC Act to acquire an insured savings association. The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate, consistent with their safe and sound operation, and it requires the appropriate supervisory agency to take into account an institution's record of meeting the credit needs of its entire community, including low- and moderate-income ("LMI") neighborhoods, in evaluating depository institution expansionary proposals.

The Board has considered carefully the convenience and needs factor and the CRA performance records of NHSB, SBM, and Tolland Bank in light of

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would be subject to approval by the appropriate federal and state banking agencies at that time under applicable law.

all the facts of record, including public comments on the proposal. A commenter opposing the proposal alleged, based on data reported under the Home Mortgage Disclosure Act (12 U.S.C. § 2801 et seq.) (“HMDA”), that NHSB, SBM, and Tolland Bank disproportionately denied home mortgage credit to minorities in certain Metropolitan Statistical Areas (“MSAs”). In addition, the commenter expressed concern about possible branch closures and reductions in service after consummation of the proposal.<sup>12</sup>

#### A. CRA Performance Evaluation

As provided for in the CRA, the Board has evaluated the convenience and needs factor in light of examinations by the appropriate federal supervisors of the CRA performance records of the relevant insured depository institutions. An institution’s most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed on-site evaluation of the institution’s overall record of performance under the CRA by its appropriate federal supervisor.<sup>13</sup>

NHSB received an “outstanding” rating at its most recent CRA performance evaluation by the FDIC, as of July 8, 2002. NHSB’s responsiveness to the credit needs of its community was found to be good. Examiners commended

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<sup>12</sup> Another commenter urged the Board to require as a condition of its approval that NewAlliance increase the amount of interest it pays on certain client trust accounts maintained by attorneys for the benefit of their clients. The Board notes that NewAlliance has represented that it would review the amount of interest NewAlliance Bank would pay on those accounts after consummation of the proposal. Moreover, although the Board has recognized that banks can help to serve the banking needs of communities by making certain products or services available at certain rates, the CRA does not require an institution to provide any specific types of products or services or prescribe the costs charged for them.

<sup>13</sup> See Interagency Questions and Answers Regarding Community Reinvestment, 66 Federal Register 36,620 and 36,639 (2001).

NHSB's record of home mortgage lending to borrowers of different income levels and its small business lending record. In addition, examiners commended the bank's record of community development lending and its level of qualified investments.

SBM received a "satisfactory" rating at its most recent CRA performance evaluation by the FDIC, as of May 12, 2003. Examiners determined that SBM's CRA-related lending activities demonstrated a good responsiveness to the credit needs of its community and noted that SBM's home mortgage lending was particularly strong. In addition, examiners noted that SBM offered several flexible and innovative loan programs for individuals and small businesses. SBM also was found to have engaged in a significant level of qualified investments that benefited various programs, including affordable housing developments.

Tolland Bank received a "satisfactory" rating at its most recent CRA performance evaluation by the FDIC, as of November 15, 2001. Examiners commended Tolland Bank's record of CRA-related lending among borrowers of different income levels and business customers of different sizes. In addition, examiners noted that the percentage of home mortgage loans made by Tolland Bank to low-income borrowers in 1999 and 2000, and the percentage of such loans made by the bank in moderate-income communities in 2000, compared favorably with the percentages of these types of loans made by the aggregate lenders in the assessment area. Tolland Bank also was found to have provided strong retail banking and community development services.

NewAlliance has represented that the CRA policy of NewAlliance Bank would be modeled on the CRA policy of NHSB. The CRA record of NHSB indicates that NewAlliance has the experience and expertise to establish and implement appropriate CRA policies and programs at

NewAlliance Bank. As part of its CRA program, NewAlliance has recently announced a five-year, \$27.5 million initiative to expand and develop affordable housing opportunities for LMI borrowers and in LMI communities.

B. HMDA and Fair Lending Record

The Board also has carefully considered the lending records and HMDA data for NHSB, SBM, and Tolland Bank in light of comments received.<sup>14</sup> One commenter alleged that NHSB disproportionately denied African-American and Hispanic applicants for home mortgage loans in the Connecticut MSAs of Bridgeport, New Haven, and New London.<sup>15</sup> The commenter asserted that the denial disparity ratios for minority applications at NHSB<sup>16</sup> were higher than for nonminority applicants in these MSAs, and that those ratios compared unfavorably with the denial disparity ratios for lenders in the aggregate (“aggregate lenders”).<sup>17</sup> The commenter also made the same allegations with regard to SBM’s home purchase lending and criticized Tolland Bank’s level of lending to minorities in the Hartford, Connecticut, MSA.

The 2001 and 2002 HMDA data indicate that NHSB and SBM had somewhat higher denial disparity ratios than aggregate lenders for total home mortgage lending to minority individuals in the Bridgeport, Hartford, New Haven, and New London MSAs. These data, however, indicate that NHSB and SBM

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<sup>14</sup> The Board has reviewed HMDA data reported by NHSB, SBM, and Tolland Bank in 2001 and 2002 in the area cited by the commenter.

<sup>15</sup> The commenter also expressed concern that NHSB’s volume of applications by minority individuals compares unfavorably with the volume of these applications for aggregate lenders.

<sup>16</sup> The denial disparity ratio equals the denial rate for a particular racial category (for example, African-American) divided by the denial rate for whites.

<sup>17</sup> In this context, the lending data of the aggregate lenders represent the cumulative lending for all financial institutions that have reported HMDA data in a given area.

demonstrated higher loan origination rates for mortgage loans to minority individuals in other areas. For example, NHSB's origination rate for HMDA-reportable loans to African-American and Hispanic applicants in New Haven exceeded the rate for aggregate lenders.<sup>18</sup> In addition, the 2002 HMDA data indicate that NHSB's denial disparity ratio for Hispanic applicants for refinance loans in New Haven was less than the ratio for aggregate lenders. The 2002 HMDA data indicate that SBM's denial disparity ratio for African-American applicants for all HMDA-reportable loans in Hartford was less than the ratio for aggregate lenders in 2002. The HMDA data also indicate that SBM's denial disparity ratios decreased between 2001 and 2002 in HMDA-reportable lending to African-American and Hispanic applicants when compared with those ratios for aggregate lenders.

The 2001 and 2002 HMDA data indicate a low volume of applications by minority individuals at Tolland Bank. As previously noted, Tolland Bank would be merged into NewAlliance Bank on consummation of the proposal. NewAlliance has indicated that NewAlliance Bank would implement NHSB's current outreach program to minority individuals and would modify outreach efforts as appropriate.

Although the HMDA data reflect certain disparities in the rates of loan applications, originations, and denials among members of different racial groups in some areas, the data generally do not indicate that NHSB, SBM, or Tolland Bank are excluding any race or income segment of the population or geographic areas on a prohibited basis. The Board nevertheless is concerned when the record of an institution indicates disparities in lending and believes that all

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<sup>18</sup> The origination rate equals the total number of loans originated to applicants of a particular racial category divided by the number of applications received by members of that racial category.

banks are obligated to ensure that their lending practices are based on criteria that ensure not only safe and sound lending, but also equal access to credit by creditworthy applicants regardless of their race, gender, or national origin. The Board recognizes, however, that HMDA data alone provide an incomplete measure of an institution's lending in its community because these data cover only a few categories of housing-related lending. HMDA data, moreover, provide only limited information about the covered loans.<sup>19</sup> HMDA data, therefore, have limitations that make them an inadequate basis, absent other information, for concluding that an institution has not assisted adequately in meeting its community's credit needs or has engaged in illegal lending discrimination.<sup>20</sup>

Because of the limitations of HMDA data, the Board has considered these data carefully in light of other information, including examination reports that provide an on-site evaluation of compliance with fair lending laws by NHSB, SBM, and Tolland Bank. In the latest performance evaluations, examiners found

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<sup>19</sup> The data, for example, do not account for the possibility that an institution's outreach efforts may attract a larger proportion of marginally qualified applications than other institutions attract and do not provide a basis for an independent assessment of whether an applicant who was denied credit was, in fact, creditworthy. Credit history problems and excessive debt levels relative to income (reasons most frequently cited for a credit denial) are not available from HMDA data.

<sup>20</sup> A commenter asserted, based solely on HMDA data and without providing any other supporting facts, that NHSB violated the Equal Credit Opportunity Act (15 U.S.C. § 1691) ("ECOA") and HMDA. In evaluating the convenience and needs factors, the Board has considered confidential supervisory information and detailed information submitted by NewAlliance regarding NHSB's fair lending policies and procedures and its plans to implement those policies at the combined institution. In addition, ECOA and HMDA provide that enforcement authority under those statutes is granted to the primary federal supervisor of the institution, which is the FDIC in this case. The Board has forwarded the comments to the FDIC, and the FDIC has ample authority to enforce these provisions if violations are found.

no evidence of prohibited discrimination or other illegal credit practices or any substantive violations of fair lending laws at any of the institutions involved in the proposal.

The record also indicates that NHSB has taken a number of affirmative steps to ensure compliance with fair lending laws and, as previously indicated, would implement NHSB's compliance program as a model for NewAlliance Bank. NHSB has instituted compliance policies and procedures to help ensure compliance with all fair lending and other consumer protection laws and regulations, employed officers and staff responsible for monitoring compliance, and conducted regular audits and reviews of compliance. As part of its compliance monitoring program, all denied loan applications are subject to a second-review process. In addition, NHSB has made efforts to increase its outreach to minority individuals by placing advertisements in Spanish-language newspapers and other publications serving minority communities. NewAlliance has stated that it would establish a self-assessment process for NewAlliance Bank, which would be reviewed by the compliance department. Moreover, NewAlliance's compliance and internal audit staff would conduct training programs and independent compliance reviews of each NewAlliance Bank business unit with respect to certain regulations, including consumer compliance and fair lending laws and regulations.

The Board also has considered the HMDA data in light of the overall lending and community development activities of NHSB, SBM, and Tolland Bank, which, as discussed above, show that all three institutions significantly assist in helping to meet the credit needs of their entire communities, including LMI areas. These established efforts demonstrate that the banks actively help to meet the credit needs of their entire communities.

### C. Branch Closings

A commenter expressed concern about possible branch closures after the consummation of the proposal and subsequent merger of NHSB, SBM, and Tolland Bank. NewAlliance has represented that it would adopt NHSB's branch closure policies on consummation of the proposal and that any consolidations or branch closings would comply with this policy and all applicable rules and regulations. Moreover, NewAlliance has indicated that it would remain in each market currently served by NHSB, SBM, and Tolland Bank, and would not close any branches of any bank as part of the proposal's consummation. Examiners at NHSB's most recent CRA performance evaluation reported that the bank's branch network adequately served the retail banking needs of its assessment area.

The Board also has considered the fact that federal banking law provides a specific mechanism for addressing branch closings.<sup>21</sup> Federal law requires an insured depository institution to provide notice to the public and to the appropriate federal supervisor before closing a branch. In addition, the Board notes that the FDIC, as the appropriate federal supervisor of NHSB, will continue to review its branch closing record in the course of conducting CRA performance evaluations.

### D. Conclusion on Convenience and Needs Considerations

In reviewing the effect of the proposal on the convenience and needs of the communities to be served, the Board has carefully considered the entire

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<sup>21</sup> Section 42 of the Federal Deposit Insurance Act (12 U.S.C. § 1831r-1), as implemented by the Joint Policy Statement Regarding Branch Closings (64 Federal Register 34,844 (1999)), requires that a bank provide the public with at least 30 days' notice and the appropriate federal supervisory agency and customers of the branch with at least 90 days' notice before the date of the proposed branch closing. The bank also is required to provide reasons and other supporting data for the closure, consistent with the institution's written policy for branch closings.

record, including comments received and responses to the comments; evaluations of the performance of NHSB, SBM, and Tolland Bank under the CRA; and confidential supervisory information. The Board also considered information submitted by NewAlliance concerning the performance of NHSB, SBM, and Tolland Bank under the CRA since their last CRA performance evaluations and the policies and procedures in place to ensure compliance with fair lending laws, HMDA, and other applicable laws.

Based on all the facts of record, and for reasons discussed above, the Board concludes that considerations relating to the convenience and needs factor, including the CRA performance records of the relevant depository institutions, are consistent with approval of the proposal.

#### Other Considerations

As part of its evaluation of the public interest factors under section 4 of the BHC Act, the Board also has carefully reviewed the public benefits and possible adverse effects of the proposed acquisition of SBM. The record indicates that consummation of the proposal would result in benefits to SBM's consumer and business customers. The proposal would allow NewAlliance to provide customers of SBM, as well as those of Tolland Bank and NHSB, with access to a broader array of commercial banking products and services. Customers also would have access to expanded branch and ATM networks. Based on all the facts of record, the Board has determined that consummation of the proposal can reasonably be expected to produce public benefits that would outweigh any likely adverse effects under the standard of section 4 of the BHC Act.

#### Conclusion

Based on the foregoing and in light of all the facts of record, the Board has determined that the applications and notice should be, and hereby are,

approved.<sup>22</sup> In reaching this conclusion, the Board has considered all the facts of record in light of the factors that it is required to consider under the BHC Act and other applicable statutes. The Board's approval is specifically conditioned on compliance by NewAlliance with all the representations and commitments made in connection with this Order and the receipt of all other regulatory approvals. The Board's approval of the nonbanking aspects of the proposal also is subject to all the conditions set forth in Regulation Y, including those in sections 225.7 and 225.25(c) of Regulation Y (12 C.F.R. 225.7 and 225.25(c)), and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to ensure

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<sup>22</sup> A commenter requested that the Board hold a public hearing on the proposal. Section 3 of the BHC Act does not require the Board to hold a public hearing on an application unless the appropriate supervisory authority for any of the banks to be acquired makes a timely written recommendation of denial of the application. The Board has not received such a recommendation from any appropriate supervisory authority. Under its rules, the Board also may, in its discretion, hold a public meeting or hearing on an application to acquire a bank if a meeting or hearing is necessary or appropriate to clarify factual issues related to the application and to provide an opportunity for testimony. 12 C.F.R. 225.16(e). In addition, section 4 of the BHC Act and the Board's rules thereunder provide for a hearing on a notice to acquire a nonbanking company if there are disputed issues of material facts that cannot be resolved in some other manner. 12 C.F.R. 225.25(a)(2). The Board has considered carefully the commenter's request in light of all the facts of record. In the Board's view, the public has had ample opportunity to submit comments on the proposal, and in fact, the commenter has submitted written comments that the Board has considered carefully in acting on the proposal. The commenter's request fails to identify disputed issues of fact that are material to the Board's decisions that would be clarified by a public hearing or meeting. Moreover, the commenter's request fails to demonstrate why its written comments do not present its views adequately or why a meeting or hearing otherwise would be necessary or appropriate. For these reasons, and based on all the facts of record, the Board has determined that a public hearing or meeting is not required or warranted in this case. Accordingly, the request for a public hearing or meeting on the proposal is denied.

compliance with, and to prevent evasion of, the provisions of the BHC Act and the Board's regulations and orders issued thereunder. For purposes of this action the commitments and conditions are deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

The banking acquisition shall not be consummated before the fifteenth calendar day after the effective date of this order, and the proposal may not be consummated later than three months after the effective date of this order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Boston acting pursuant to delegated authority.

By order of the Board of Governors,<sup>23</sup> effective February 25, 2004.

(signed)

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Robert deV. Frierson  
Deputy Secretary of the Board

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<sup>23</sup> Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Gramlich, Bies, Olson, Bernanke, and Kohn.